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June 14, 2021

VIA EMAIL

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**RE: Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Notice of
Initiation Transmission and Distribution Climate Risk and Resilience
Working Group Process**

Dear Ms. Boyd:

Pursuant to Stipulations approved by the North Carolina Utilities Commission as described in the attached, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and collectively with DEC, the "Companies") hereby provide notice of the initiation of the Companies' Transmission and Distribution Climate Risk and Resilience Working Group process set by North Carolina. Consistent with the settlement agreement approved in NC, it is the Companies' intention to include South Carolina stakeholders in this endeavor.

The Companies will retain a third-party consultant with experience developing models or analyses for quantifying climate-related impacts on the Transmission and Distribution ("T&D") System. The Companies are currently evaluating third-party consultant proposals to perform this analysis of the Companies' T&D systems across North Carolina and South Carolina. The third-party work-scope is expected to produce a climate science assessment to understand projected future climate conditions for the service territory and support an evaluation of potential impacts of climate change on key T&D assets and operations by synthesizing the best available climate and extreme weather projections into metrics regarding the potential impacts of climate change from present day through 2100. This study is expected to help the Companies develop an ongoing flexible framework with options to address key weather risks as climate-science projections evolve over time. The study approach will be aligned with North Carolina Department of Environmental Quality ("NC DEQ") workstreams associated with the State Climate Risk Assessment and Resilience Plan as appropriate based on consultation with the NC DEQ.

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To be transparent, the Companies plan to include South Carolina stakeholders in this work, and will work off of a fulsome list of stakeholders invited to various efforts, including relevant state agencies such as the South Carolina Office of Resiliency. The Companies believe topics, interested parties, and opportunities for improvement between North Carolina and South Carolina will overlap such that including South Carolina will be both timely and efficient, as well as increase transparency and provide opportunity for input.

The Companies wished to inform the Commission of this ongoing effort and the goal of including South Carolina stakeholders who are interested in participating. Pursuant to the following requirement from the settlement, the Companies are filing this notice with the Public Service Commission of South Carolina and will also inform the referenced stakeholders of this endeavor:

“[The Companies] shall give notice of such filing to all interested parties in all North Carolina and South Carolina dockets and stakeholder processes to which it is a party related to climate or decarbonization policy, the Grid Improvement Plan, Integrated Resource Plan, and Integrated System Operations Plan.”

There is no statutory requirement for public notice for South Carolina. However, should the Commission wish to open an informational NDI docket, the Companies would be glad to file interim public updates on the Transmission and Distribution Climate Risk and Resilience Working Group process in such docket.

Sincerely,



Heather Shirley Smith

Attachment

cc: Ms. Nanette Edwards, Office of Regulatory Staff
Ms. Dawn Hipp, Office of Regulatory Staff
Mr. Jeff Nelson, Office of Regulatory Staff



Jack Jirak
Deputy General Counsel
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June 1, 2021

VIA ELECTRONIC FILING

Ms. Kimberley A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4300

**RE: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's
Notice of Initiation of Carolinas Transmission and Distribution
Climate Risk and Resiliency Working Group
Docket Nos. E-7, Sub 1214 and E-2, Sub 1219**

Dear Ms. Campbell:

Pursuant to the North Carolina Utilities Commission's ("Commission") March 31, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* in Docket No. E-7, Sub 1214 and its April 16, 2021 *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice* in Docket No. E-2, Sub 1219 (collectively, the "Orders") Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP" and collectively with DEC, the "Companies") hereby provide notice of the initiation of the Companies' Transmission and Distribution Climate Risk and Resilience Working Group process and provide the following scoping plan and proposed scheduling information consistent with the terms of the Agreement and Stipulation of Settlement entered into between Vote Solar and DEP and DEC, respectively (collectively, the "Stipulation").

Scoping Plan

Consistent with the Stipulation, within six months from the effective date of the Commission's order, the Companies will convene a Climate Risk & Resilience Working Group ("Working Group"). Also consistent with the terms of the Stipulation, the Companies will retain a third-party consultant with experience developing models or analyses for quantifying climate-related impacts on the Transmission and Distribution System. The Companies are currently evaluating third-party consultant proposals to perform this analysis of the Companies' transmission and distribution systems across North Carolina and South Carolina. The third-party work-scope is expected to produce a climate science assessment to understand projected future climate conditions for the service territory and support an evaluation of potential impacts of climate change on key

Transmission and Distribution (“T&D”) assets and operations by synthesizing the best available climate and extreme weather projections into clear metrics regarding the potential impacts of climate change from present day through 2100. This study is expected to help the Companies develop an ongoing flexible framework with options to address key weather risks as climate-science projections evolve over time.

The study approach will be aligned with NC Department of Environmental Quality (“NC DEQ”) workstreams associated with the State Climate Risk Assessment and Resilience Plan as appropriate based on consultation with the NC DEQ.

The Companies believe it would be beneficial to develop priorities and sequence review efforts collaboratively with participating parties and the support of the third-party facilitator. A kickoff meeting has not yet been scheduled, but is expected to follow the July 27th Integrated System & Operation Planning (“ISOP”) Stakeholder meeting where the Companies will give an overview of the study and provide a forum to discuss the planned process. At this time, the Companies anticipate that most if not all meetings will be virtual to allow for broad participation and accessibility. Finally, some items may be addressed by smaller subsets of stakeholders, as each participant expresses interest, to improve efficiency and breadth of topics covered.

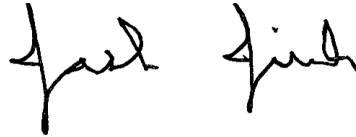
Working Group Schedule

The third-party consultant will organize and facilitate the Working Group sessions, proposed to be held virtually and separately from the broader ISOP stakeholder process, with periodic updates to the broader ISOP stakeholder group. The third-party consultant will hold the first of these sessions by October 1, 2021, at the latest. The purpose of these sessions will be to: (1) facilitate information-sharing; (2) create a forum for open and constructive discussion of key issues affecting climate resilience in the Carolinas generally and of the Companies’ planning for climate resilience specifically; and (3) seek to allow all parties to reach a common understanding of critical issues, and, where possible, consensus on how to best address.

As noted above, the Companies are currently reviewing proposals by prospective third-party consultants to support this work. Based on a preliminary review of proposals, the process is expected to take two to three years to complete. The initial project launch is expected to include third-party facilitator interviews with a representative sample of stakeholders. Over the course of the Working Group process, the Companies anticipate providing several periodic updates to the broader ISOP Stakeholder group to keep them informed of progress on this work. The Working Group is anticipated to meet approximately quarterly, depending on the stage of the study. Materials from the sessions will be subsequently posted at <https://www.duke-energy.com/ISOP> for easy access by interested parties.

Thank you for your attention to this matter. If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Jirak". The signature is written in a cursive, flowing style.

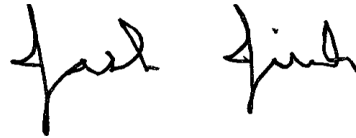
Jack Jirak

cc: Parties of Record

CERTIFICATE OF SERVICE

I certify that a copy of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Notice of Initiation of Carolinas Transmission & Distribution Climate Risk & Resiliency Working Group, in Docket Nos. E-7, Sub 1214 and E-2, Sub 1219, has been served by electronic mail, hand delivery or by depositing a copy in the United States mail, postage prepaid to parties of record:

This the 1st day of June, 2021.



Jack E. Jirak
Deputy General Counsel
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